



2006

FORM REW-1

# REAL ESTATE WITHHOLDING RETURN FOR TRANSFER OF REAL PROPERTY



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**TO BE COMPLETED BY THE BUYER OR OTHER TRANSFEREE REQUIRED TO WITHHOLD**

**For MULTIPLE SELLERS, complete a separate Form REW-1 for each seller receiving proceeds.**

<b>1. Check space to indicate whether the seller is:</b> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> C Corp <input type="checkbox"/> S Corp <input type="checkbox"/> Grantor Trust <input type="checkbox"/> Other Trust <input type="checkbox"/> Estate <input type="checkbox"/> Other <input type="checkbox"/>				Check here if installment sale <input type="checkbox"/>	
<b>2. Name of seller subject to withholding (person or entity). Corporations and trusts must enter federal ID number on line 3.</b> _____ Person's last name or entity's name First name M.I. _____ Spouse's last name (if filing jointly) Spouse's first name M.I.					
<b>3. Enter the Social Security Number(s) of the seller and the seller's spouse or the federal ID Number of the entity (as applicable).</b> _____ Seller's Social Security Number Spouse's Social Security Number Federal ID Number					
<b>4. Address of seller.</b> _____ Number and street _____ City State ZIP Code					
<b>5. Enter name and telephone number of tax matters / contact person or firm.</b> Name: Telephone:					
<b>6. Date of transfer</b>		<b>7. Total consideration</b> \$ _____		<b>8. Percentage of total gross proceeds received by this seller</b> _____ %	
<b>9. Physical location and use of property</b>				<b>10. Date property acquired by seller</b>	
<b>11. Rate of withholding</b> <input type="checkbox"/> a. 2.5% of sales price <input type="checkbox"/> b. Less than 2.5% - attach withholding certificate: (Enter certificate number _____)			<b>12. Amount withheld for this seller:</b> \$ _____ DO NOT SEND CASH - <b>Make check payable to:</b> Treasurer, State of Maine. Write seller's Social Security Number or federal ID Number on the check.		
<b>13. Name of Withholding Agent (buyer or other transferee)</b>			<b>14. Address of Withholding Agent</b> _____ Number and Street _____ City State ZIP Code		
<b>15. Social Security Number / Federal ID Number of Withholding Agent</b>					
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.					
Signature of buyer _____ Date _____		Signature of buyer's spouse if property is held jointly _____ Date _____			
Signature of real estate escrow person _____ Date _____		Real estate escrow person's FIN or Social Security number _____			
Real estate escrow person's daytime phone number _____		Seller's daytime phone number _____			
<b>NOTE: Payments received by Maine Revenue Services will not be refunded prior to filing of the taxpayer's Maine income tax return.</b> (Any claim for refund of an overpayment of this withholding must be filed within three years from the time the return was filed or three years from the time the tax was paid, whichever expires later.)					
<b>Mail this form and check to:</b> Maine Revenue Services, Income/Estate Tax Division - REW, P.O. Box 1068, Augusta, ME 04332-1068 <b>Overnight delivery address:</b> Maine Revenue Services, Income/Estate Tax Division - REW, 26 Edison Drive, Augusta, ME 04330 <b>Telephone: 207-626-8473 Fax: 207-287-4028</b>					

## GENERAL INSTRUCTIONS

**PURPOSE OF FORM:** 36 M.R.S.A. § 5250-A requires a buyer to withhold state income tax when real property located in Maine is acquired from a nonresident of Maine. The buyer must withhold and remit to the State Tax Assessor 2.5% of the consideration received by the transferor (seller) on the transfer. **A completed Form REW-1 must accompany the remittance.**

**WHO MUST FILE:** A buyer (individual, firm, partnership, association, society, club, corporation, estate, trust, business trust, receiver, assignee or any other group or combination acting as a unit) of a Maine real property interest who is required to withhold tax must file Form REW-1. If two or more persons are joint transferees, each must withhold the required amount. However, the obligation of each will be met if one of the joint transferees withholds and remits to Maine Revenue Services the total amount required.

**If there are multiple sellers, complete a separate Form REW-1 for each seller receiving proceeds from the sale. For example, if the seller is a partnership, complete a separate Form REW-1 for each partner receiving proceeds from the disposition.**

**Limited Liability Companies (“LLCs”) are considered partnerships unless otherwise classified for federal income tax purposes, in which case the LLC is classified in the same manner for Real Estate Withholding as it is classified for federal income tax purposes.**

**EXCEPTIONS:** The buyer is not required to withhold or file this return if any of the following applies:

- a. The seller furnishes to the buyer written certification stating, under penalty of perjury, that as of the date of transfer the seller is a resident of Maine;

- b. The seller or the buyer has received from the State Tax Assessor a certificate of waiver stating that no tax is due on the gain from the transfer or that the seller has provided adequate security to cover the liability;
- c. The consideration for the property is less than \$50,000; or,
- d. Written notification of the withholding requirements of this section has not been provided to the buyer. The real estate escrow person is liable for the withholding tax unless it is shown that the failure to notify is due to reasonable cause.

**WITHHOLDING CERTIFICATE ISSUED BY THE STATE TAX ASSESSOR:** A withholding certificate may be issued by the State Tax Assessor to reduce or eliminate withholding on transfers of Maine real property interests by nonresidents. The certificate may be issued if:

1. No tax is due on the gain from the transfer; or,
2. Reduced withholding is appropriate because the 2.5% amount exceeds the seller's maximum tax liability.

If one of the above is applicable, apply for the certificate no later than two weeks prior to closing.

**WHEN TO FILE:** A transferee must report and remit the tax withheld to Maine Revenue Services within 30 days of the date of transfer of the property.

**WHERE TO FILE:** Send Form REW-1 with payment directly to: Maine Revenue Services, Income/Estate Tax Division-REW, P.O. Box 1068, Augusta, ME 04332-1068 (do not send payment or Form REW-1 with the Real Estate Transfer Tax Form). **Provide one copy of Form REW-1 to the Real Estate Escrow Person, one copy to the buyer, and two copies to the seller.**

## SPECIFIC INSTRUCTIONS

**Block 1.** Check the appropriate space to indicate the type of seller.

**Block 2.** Enter the name of the seller and the seller's spouse or the selling entity.

**Block 3.** Enter the social security number(s) of the seller and the seller's spouse or the federal ID number of the selling entity.

**Block 4.** Enter the address of the seller and the seller's spouse or the selling entity.

**Block 5.** Enter name and telephone number of the tax matters contact person or firm.

**Block 6.** Enter the date of this transfer.

**Block 7.** Enter the total consideration (see 36 M.R.S.A. § 5250-A(1)(A) for definition).

**Block 8.** Enter the percentage of total proceeds received by this seller.

**Block 9.** Enter the location of the property, including town and street address. Specify use before the transfer, such as principal residence, vacation home, condominium, rental property, commercial, or vacant land.

**Block 10.** Enter the date the property was acquired by the seller.

**Block 11.** Check the appropriate space to indicate the amount withheld. If the parties obtained a withholding certificate from the State Tax Assessor authorizing a reduced rate of withholding, enter the certificate number and attach a copy of the certificate to this return.

**Block 12.** Enter the dollar amount withheld for the seller on line 2.

**Block 13.** Enter the name of the withholding agent (buyer).

**Block 14.** Enter the address of the withholding agent (buyer).

**Block 15.** Enter the social security number or federal ID number of the withholding agent (buyer).

**Seller must attach a copy of Form REW-1 to his/her Maine income tax return to ensure proper credit for real estate withholding paid.**